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Big Governments Are Crushing Cryptocurrencies

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*Photographer: Chris Ratcliffe/Bloomberg*

Big governments are catching up with Bitcoin and other cryptocurrencies. And are crushing them.

A couple of days after announcing that Initial Coin Offerings (ICOs) are “seriously disrupted the economic and financial order,” the Chinese government [banned](#) ICO funding.

That was certainly bad news for cryptocurrencies, which crashed across the board, with Bitcoin losing close to 10 percent, Ethereum 21.74%, Litecoin 24.92% and BitConnect 32.10%.

Coin/Investment Trust	Change 24H*
Bitcoin (BTC)	-9.84%
Ethereum (ETH)	-21.74
Litecoin (LTC)	-24.92
BitConnect	-32.10

*As of Monday 2 pm

Source: Coinranking.com

The Chinese government's heavy-handed action against digital currencies comes two months after the SEC ruled that cryptocurrency "IPOs" or ICOs are investments, and therefore, should be subject to the same rules as regular stocks.

The Chinese and American governments aren't alone. Last week, the [Russian](#) government opened a criminal investigation involving Bitcoin, while the Venezuelan government has been jailing Bitcoin miners.

On the surface, these actions try to protect the public from market manipulations. But on closer examination, they are trying to kill any currency that may threaten government monopolies on printing money and earn seigniorage income, as discussed in previous piece [here](#).

That's why digital currency investors should cast a wary eye on big governments.